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## Viewing cable 04BRUSSELS1787, EU HAND-WRINGING ON CYPRUS REFERENDUM: NO CARROTS,

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### Understanding cables

Every cable message consists of three parts:

- The top box shows each cable's unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#04BRUSSELS1787**.

Reference ID	Created	Released	Classification	Origin
<a href="#">04BRUSSELS1787</a>	<a href="#">2004-04-23 14:31</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Brussels</a>

Appears in these articles:

<http://www.tanea.gr>

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 001787

SIPDIS

EUR FOR RIES & WESTON

E.O. 12958: DECL: 04/23/2014

TAGS: [PREL](#) [CY](#) [TU](#) [EUN](#) [UN](#) [USEU](#) [BRUSSELS](#)

SUBJECT: EU HAND-WRINGING ON CYPRUS REFERENDUM: NO CARROTS,  
FLIMSY STICKS

Classified By: USEU External Affairs Officer Andrew Erickson  
for reasons 1.5 (b) and (d).

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SUMMARY  
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**¶1.** (C) One day away from a Cyprus Referendum, EU officials are wringing their hands in Brussels about the likely fate of the Annan Plan -- and the likely accession of a divided Cyprus into the EU on May 1. The Head of the Commission's Cyprus unit told us April 23 that he is anticipating numerous headaches due to Turkish non-recognition the Republic of Cyprus -- a full EU member -- as of May 1. Pressed by us on the possibility of EU actions to punish Cypriot intransigence, our interlocutor noted that Article 7 of the EU Treaty could be used, although he pointed out that this stick is untried, and thus should be considered a flimsy one.

In a related action, EU Parliament Pat Cox has initiated a separate Article 7 proceeding on the run up to the referendum, although EU Parliament action is more symbolic than determinant, barring further Council action.

**¶2.** (C) Comment: Despite the hand-wringing, the EU no longer has any carrots to encourage a positive vote in southern Cyprus, and its only stick, the unprecedented imposition of Article 7 of the Treaty of European Union, would be very difficult to wield, requiring as it does a consensus (excluding Cyprus) to proceed and a qualified majority to punish. Article 7 could in an extreme application lead to the denial of its European Council vote to Cyprus. But Turkey's situation as of May 1 is far worse. Its accession quest is now crippled by its non-recognition of an EU member

and on-going occupation of sovereign EU territory. Combined with EU dissatisfaction with the Layla Zana sentence, this has been a bad week for Turkey in Brussels. End comment and summary.

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Facing Facts: There is No Plan B  
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13. (C) One day away from a Cyprus Referendum expected to reject the Annan Plan in the south, EU officials are wringing their hands in Brussels about the likely demise of the Annan Plan -- and the certain accession of a divided Cyprus into the EU on May 1. Commission Cyprus Unit Head Leopold Maurer told us April 23 that he is anticipating numerous headaches due to Turkish non-recognition of the Republic of Cyprus -- a full EU member -- starting as early as two weeks from now. As an example, he cited a working meeting on the Turkish-EU customs relationship that will now need to address Turkish non-recognition of Cypriot goods. Given Cyprus' full EU membership, it will be covered by EU agreements with Turkey on the same terms as any other EU state.

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No Carrots  
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14. (C) Despite good efforts by Commissioner Verheugen, EU Parliament President Cox, and HIREP Solana to make positive statements about the need for a yes vote, Cyprus politicians know that the EU holds no positive leverage at this point. EU officials have been especially miffed that their entreaties were kept off the airwaves by Greek Cypriot media. Even so, as the treaty of enlargement has been ratified, and accession is a done deal, there is nothing more the EU bureaucracy can offer by way of blandishments to southern Cyprus voters. The April 15 Pre-Donors' Conference, with its generous promise of post-settlement assistance, was the EU's last carrot, and it apparently failed to find a taker in the south.

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And the Stick Looks Weak...  
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15. (C) Pressed on the possibility of EU sanctions for Cypriot intransigence and manipulation of the vote, Maurer noted that Article 7 of the EU Treaty could theoretically be used, although he noted that this stick has never been used under any circumstances. As a politically theoretical instrument with many bars to use, it should be considered a flimsy one to wield in an attempt to get Cyprus voters to change their votes.

16. (C) Maurer explained that under Article 7 of the Nice Treaty, member states could unanimously (with the exception of Cyprus itself) and with the two-thirds assent of the European Parliament, determine that rejection of the Annan Plan, or the circumstances of that rejection, were "a serious and persistent breach" of one or more of the Article 6 provisions calling for respect of the "principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law...". The Council would then vote by qualified majority rules on what sanctions to impose.

17. (C) We noted to Maurer that any member state could block the invocation of Article 7 under the terms outlined by the treaty, and some member states, (Greece, for example) would probably be inclined to do so. Maurer agreed, but reiterated that this was the only legal avenue available to the EU to attempt to redress any manipulation of the Cyprus poll, presuming that the UN Secretary General decided that the polling had not been free or fair. (Comment: although Maurer didn't mention them, the only other punishments we could imagine might be ones entailing blocking Cyprus from getting anticipated benefits, rather than trying to withdraw existing ones. In theory, the EU could send a clear message to Cyprus that so long as the Green Line persists, Cyprus could never expect to get full Schengen treatment; another might be to block Cyprus admission into the Eurozone. End comment.)

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EU Parliament Begins  
Article 7 Proceeding  
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18. (C) On April 23, EU Parliament President Cox's diplomatic adviser Joe Dunne (strictly protect) told us that President Cox received a letter from DISY leader Nico Anastasiades complaining about the management of the referendum in Cyprus. Following consultations with party leaders, Cox referred Anastasiades' complaint to Parliament for consideration as an Article 7 proceeding. Dunne said that there was no objection from party leaders to proceeding along this route, and he assessed that there was a reasonable prospect of getting a two-thirds majority in Parliament, probably on the

last and only remaining scheduled vote of this session, on May 5. We asked Dunne about the difficulty of getting a consensus in the European Council (including Greece but excluding Cyprus) on Article 7. He replied that his focus is getting a two-thirds majority in Parliament, and said that he is optimistic about this prospect. The Council issues are not his purview, and he would not be drawn into speculation on the ultimate outcome of an Article 7 effort in the Council.

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Comment: Much Hand Wringing  
- Good Parliamentary Action  
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¶9. (C) With the Accession Treaty signed, sealed, and delivered, the Commission no longer holds either carrots or sticks to push a Cyprus deal. Given this reality, working level Commission priorities have shifted focus from finding a Cyprus settlement to making Cyprus's EU accession work on an island divided into mutually hostile camps. The immediate impact of Cyprus accession will be to put Turkey in non-compliance with its customs treaty with the European Union, given that Turkey's deals with the EU now have to apply in Turkey's obligatory dealings with new EU member Cyprus. Over the longer term, Turkey is going to have to cede additional ground on Cyprus issues if it is to maintain good relations with the EU during its run up to talks on an accession date. This hurts Turkey's prospects for a favorable accession deal in December, and adds to the bad blood in a relationship already scarred this week by EU dismay about the Layla Zana verdict.

¶10. (C) More to the positive side, EU Parliament President Cox has once again shown his willingness to try to go the extra mile for a Cyprus settlement, even as the EU's political options for encouraging settlement diminish. We are not in a position to evaluate Cox's adviser's assessment that he can get a two-thirds majority in Parliament to sanction Cyprus on Article 7 grounds. If he does, however, the quest to punish rejectionist Cyprus through Article 7 will likely face an extremely tough environment in the European Council, where Greece alone can block further action. Even then, all members except Cyprus would have to accept the premise that Cyprus' expected no vote -- or the process that led up to it -- indeed constitutes "a serious and persistent breach" of one or more of the Article 6 "principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law...".

Schnabel